



Report for the
**Tobacco Settlement Agreement Fund
Oversight Committee**

November 15, 2019

Meeting of the
Kentucky Agricultural Development Board



Commonwealth of Kentucky
Governor's Office of Agricultural Policy

For Immediate Release

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**Kentucky Mobile Beef App, Sheep and Goat Educational Program
Among Fourteen Agricultural Investments Approved**
More than \$1.4 million invested in Kentucky Agricultural Development Funds

LOUISVILLE, Ky. (Nov. 15, 2019) –The Kentucky Agricultural Development Board approved \$1,420,574 in 14 agricultural diversification and rural development projects across the Commonwealth at its monthly board meeting.

State Investments:

Support for Counties with Limited KADF Allocation

The board approved up to \$484,558 in State funds to provide financial incentives to counties with annual tobacco settlement allocations below \$30,000 to invest in any type of project/program in-line with the County Comprehensive Plan for Agricultural Development. Funds will become available January 2020. For more information on this project, contact Danielle Milbern at (502) 782-1771 or danielle.milbern@ky.gov.

Kentucky Beef Mobile App

The University of Kentucky Research Foundation was approved for up to \$200,000 in State and multiple County funds to develop a multifaceted, web-based mobile application software for Kentucky beef producers. For more information on this project, contact Dr. Les Anderson at (859) 257-2856.

Sheep and Goat Educational Program

Kentucky Sheep and Goat Development Office, Inc. was approved for up to \$183,475 in State funds over two years to create an online comprehensive educational program and the Kentucky Natural Fiber Center. For more information on this project, contact Kelley Yates at (502) 682-7780 or kyates@kysheepandgoat.org.

County Investments:

On-Farm Investments

The County Agricultural Investment Program (CAIP) offers 11 investment areas that give Kentucky agricultural producers the ability to increase net farm income, add value to their

products and diversify their operation. CAIP benefits and enhances agriculture across the state by stimulating markets for Kentucky agricultural products. Three CAIPs were approved by the board totaling \$413,725 for Fleming (\$238,962), Gallatin (\$130,000) and Leslie (\$44,763) counties.

In addition to these new approvals, an additional \$31,363 was approved to enhance existing CAIPs in Adair (\$10,500) and Garrard (\$20,863) counties.

Environmental Stewardship

The Deceased Farm Animal Removal Program serves as a measure to facilitate the coordination of environmentally sound and cost effective disposal of deceased livestock for Kentucky producers. One Deceased Farm Animal Removal Program totaling \$7,500 was approved for Madison County.

Next Generation Farmer Program

The Next Generation Farmer Program (NextGen) was developed to facilitate the growing need for a specialized program that would benefit producers engaged in an agricultural operation from three to seven years. One NextGen was approved by the board totaling \$40,000 for recipients in Fleming County.

Shared-Use Equipment Program

The Shared-Use Equipment Program assists broad-based community organizations with the purchase of farm equipment. The equipment purchased is made available for producer use in a specific county on a leased basis. Three Shared-Use Equipment Programs were approved totaling \$34,953 for Clinton (\$4,181), Garrard (\$25,500) and Madison (\$5,272) counties.

Youth Agricultural Incentives Program

The Youth Agricultural Incentives Program (Youth) serves as a measure to facilitate the growing need for a specialized program that benefits youth actively engaged in agriculture. One Youth Program was approved by the board totaling \$25,000 for Fleming County.

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Great strides continue being made toward lessening Kentucky's dependence on tobacco production while revitalizing the farm economy by investing a portion of Kentucky's Master Tobacco Settlement Agreement Funds known as the Kentucky Agricultural Development Fund.

To date, the Kentucky Agricultural Development Fund has invested more than \$605 million in an array of county, regional and state projects designed to increase net farm income and create sustainable new farm-based business enterprises. These funding approvals, made possible by the Kentucky Agricultural Development Fund, represent just a few of the more than 6,100 projects approved, since the inception of the program in January 2001.

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County	2019 Allocation	Additional
Knott	0	\$30,000.00
Pike	0	\$30,000.00
Martin	56.33	\$29,943.67
Letcher	94	\$29,906.00
Fulton	164	\$29,836.00
Bell	239	\$29,761.00
Harlan	314	\$29,686.00
Floyd	383	\$29,617.00
Union	956	\$29,044.00
Livingston	1,086.00	\$28,914.00
Boyd	2,214.00	\$27,786.00
Crittenden	2,644.00	\$27,356.00
Perry	3,261.00	\$26,739.00
Leslie	5,002.00	\$24,998.00
Hickman	5,140.00	\$24,860.00
McCreary	5,308.00	\$24,692.00
Jefferson	19,475.00	\$10,525.00
Hopkins	19,771.00	\$10,229.00
Webster	20,613.00	\$9,387.00
Lyon	28,924.00	\$1,076.00
Marshall	29,798.00	\$202.00
		\$484,557.67

KADF Programs

Approved at the November 2019 KADB Meeting

CAIP

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Gallatin	Gallatin County Farm Bureau of Gallatin County, Kentuck	10/15/2019	\$ 130,000.00
Leslie	Leslie County Conservation District	10/23/2019	\$ 44,763.00
Fleming	Fleming County Conservation District	10/24/2019	\$ 238,962.00
3			\$ 413,725.00

Deceased Farm Animal Removal (DAR)

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Madison	Madison County Conservation District	10/17/2019	\$ 7,500.00
1			\$ 7,500.00

Next Generation Farmer (NextGen)

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Fleming	Fleming County Conservation District	10/25/2019	\$ 40,000.00
1			\$ 40,000.00

Shared-Use Equipment Program

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Garrard	Garrard County Conservation District	10/15/2019	\$ 25,500.00
Madison	Madison County Farm Bureau, Inc. of Madison County, Ke	10/17/2019	\$ 5,272.00
Clinton	Clinton County Soil Conservation District	10/25/2019	\$ 4,181.00
3			\$ 34,953.00

Youth Ag Incentives Program (Youth)

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Fleming	Fleming County Conservation District	10/04/2019	\$ 25,000.00
1			\$ 25,000.00

Total County KADF Approved for Programs:	\$521,178.00
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Requested Program Amendments

App # A2019-0139
Applicant Name Adair County Cattlemen’s Association
 Original Amount Approved \$187,000
 Execution Date 06/27/2019
 Requested Change The applicant requests an additional \$10,500 in Adair County funds for the *CAIP Program*. The request received a high priority from the County Council.
 This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.
 Approval of this request would bring the program total to \$197,500.
Recommend Approval

App# A2019-0118
Applicant Name Garrard County Farm Bureau
 Original Amount Approved \$234,540
 Execution Date 06/03/2019
 Requested Change The applicant requests an additional \$20,863 in Garrard County funds for the *CAIP Program*. The request received a high priority from the County Council.
 This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.
 Approval of this request would bring the program total to \$255,403.
Recommend Approval

Approved Project

University of Kentucky Research Foundation**A2018-0211***Application County: Fayette**Date Submitted: 09/28/2018**Total Funds Awarded: \$200,000***FUNDING REQUEST**

The University of Kentucky (UK) Beef IRM Committee is requesting \$100,000 in State funds and \$100,000 in multiple County funds to develop a multi-faceted, web-based mobile application software for Kentucky beef producers.

APPLICATION SUMMARY

UK Cooperative Extension Service staff, Beef IRM team, and Kentucky Beef Network are the primary participants working with Kentucky's 38,000 beef cattle farms. The applicant states all data will be owned by the individual and accessible only to the user. The app has three functionalities: data management, education, and community. Herd and operation data is entered from the app on a device and all data will be stored in the cloud computing environment.

The cost for the total project is estimated at \$200,000 with funding from the following sources:

\$100,000 KADF State funds

\$ 100,000 multiple County funds (secured)

PRODUCER IMPACT

The applicant indicates that the project can benefit all 120 counties in the Commonwealth. The applicant expects the app will reach 5,000 users by the end of the first year of operation. The applicant also indicates that there is the potential to license the software to other beef cattle states at a later date.

Board Decision:

The University of Kentucky Research Foundation on behalf of the UK Beef IRM Committee was approved for up to \$200,000 in State and multiple County funds to develop a multi-faceted, web-based mobile application software for Kentucky Beef Producers.

Approved Project

Kentucky Sheep and Goat Development Office, Inc.**A2019-0236***Application County: Franklin**Date Submitted: 09/27/2019**Total Funds Awarded: \$183,475***FUNDING REQUEST**

The Kentucky Sheep and Goat Development Office, Inc. is requesting \$183,476 in State funds over two years to create an online comprehensive educational program and Kentucky Natural Fiber Center in Millersburg.

APPLICATION SUMMARY

The applicant plans to create an online educational program for sheep and goat producers and a Kentucky Natural Fiber Center in Millersburg. The 2017 USDA Agricultural Census showed a 39% increase in sheep and goat sales revenue in Kentucky since 2012. Despite the massive growth in this industry, producers are not capturing all of the potential profit. Recent data from graded sales shows that the majority of lambs and goats are being sold during low price times of the year. On average, producers are losing \$56/head. For wool sheep, potential profits are being lost as producers sell wool at \$2-\$5/lb. Instead of further processed intermediate products (yarn, roving, etc.) that average \$30-\$60/lb. The Kentucky Sheep and Goat Development Office plans to conduct a comprehensive education program with two main objectives: increase profits in sheep and goat meat production and increase profits in fiber production by revitalizing the local direct to consumer textile industry.

KADF funds will be used for development of course materials, travel assistance for instructors and development and disbursement of promotional materials.

The total cost of the project is estimated at \$413,571 with the following funding sources:

\$183,476 KADF State funds

\$230,095 USDA FMPP (unsecure)

PROJECTED PRODUCER IMPACT

The applicant states indicates 7,990 producers will be impacted by these programs.

Board Decision:

The Kentucky Sheep and Goat Development Office was approved for up to \$183,475 in State funds over two years for the creation of an online comprehensive educational program and Kentucky Natural Fiber Center in Millersburg.

Denied Project

World Heritage Animal Genomic Resources, Inc.**A2019-0203***Application County: Montgomery**Date Submitted: 08/08/2019**Total Funds Awarded: \$0***FUNDING REQUEST**

World Heritage Animal Genomic Resources (WHAGR), Inc. is requesting \$1,651,032 in State funds to build a training and conservation center in Mt. Sterling, Kentucky.

APPLICATION SUMMARY

WHAGR is an organization with a global initiative to serve as a multinational animal genetic resource material backup accompanied by a network of collaborating satellite conservation educational facilities. WHAGR plans to build a world-class training and conservation center in Mount Sterling offering job training and certification programs for Veterinary Technicians, Veterinary Assistants, Genomic Bio Science Technicians and Animal Rehabilitation therapeutics. WHAGR currently houses collections of the world's rarest conservation populations of agricultural domestic livestock and animal genetic resource materials. The center intends to educate the public by fostering agrarian resources that would otherwise become extinct. KADF funds would be utilized for Phase I: Site Development and Establishment of the Project.

The total cost of the project is estimated at \$3,302,064 with funding from the following sources:

\$1,651,032 KADF State funds

\$1,651,032 USDA Rural Development Loan (unsecured)

PROJECTED PRODUCER IMPACT

The applicant states that farm families from across the state will be able to benefit from the Legacy Center once completed.

Committee Recommendation:

Blue Application Review Committee recommends denying the request due to limited producer impact.

Board Decision:

The Board denied this request, based on the Committee's recommendation.

Warren Beeler 12/4/2019 - 12/20/2019

12/4/2019 Oversight	10:00 AM
KDA Hemp Conference	
12/5-12/6/19 KFB Annual Meeting	
12/5/2019 Speak: Leadership Kentucky	9:00 AM
Speak: CANE Awards Dinner	5:30 PM
12/6/2019 Speak: Grayson Co. Middle School	7:30 AM
12/6/2019 Speak: Louisville Ag Club	11:30 AM
12/7/2019 Speak: WKU Recruitment	10:00 AM
12/10/2019 Local Food Economies Meeting	10:00 AM
12/11/2019 Water Management Group	10:00 AM
12/12/2019 KASMC Meeting	9:30 AM
12/13/2019 KAFC	10:00 AM
12/17/2019 Speak: Madison Co. Livestock Club	6:30 PM
12/18/2019 KY Proud Advisory Council Meeting	10:00 AM
12/19/2019 KYHIA Conference	9:00 AM
12/20/2019 KADB	10:00 AM